

**ND STATE BOARD OF HIGHER EDUCATION**

Minutes—September 16, 2010

Bottineau, North Dakota

The State Board of Higher Education met September 16, 2010, on the campus of Dakota College at Bottineau in the 105 Simrall Boulevard, Thatcher Hall Addition, 2<sup>nd</sup> floor, Centennial Alumni Center. The board president called the meeting to order at 8:45 a.m. CT. Members present:

Mr. Jon Backes, President

Mr. Michael Haugen, by phone

Mr. Grant Shaft, Vice President, by phone

Mr. Claus Lembke

Ms. Kirsten Diederich

Mr. Richie Smith

Mr. Duaine Espesgard

Dr. John Girard, Faculty Advisor

Ms. Melissa Bonner, Student

Representative

Staff members present:

Mr. William G. Goetz, Chancellor

Ms. Debra Anderson, Public Affairs & Marketing Director

Ms. Laura Glatt, Vice Chancellor for Administrative Affairs, by phone

Dr. Michel Hillman, Vice Chancellor for Academic & Student Affairs

Dr. Marsha Krotseng, Vice Chancellor for Strategic Planning/Executive Director of CTEC

Mr. Pat Seaworth, General Counsel

Mr. Randall Thursby, Chief Information Officer

Ms. Erika Lorenz-Perry, Secretary

Presidents and campus dean participating:

Dr. Larry Skogen, BSC

Dr. David Fuller, MiSU

Dr. Ken Grosz, DCB

Dr. John Richman, NDSCS

Dr. Dick McCallum, DSU

Dr. Dean Bresciani, NDSU

Dr. Doug Darling for Dr. Bower, LRSC

Dr. Robert Kelley, UND

Dr. Gary Hagen, MaSU

Dr. Steve Shirley, VCSU

Mr. Justin Maddison for Dr. Nadolny, WSC

### Board President's Report

- Budget Audit and Finance Committee (BAFC) appointments

Mr. Backes appointed Mr. Espegard as the Budget, Audit, and Finance Committee member-at-large and chairman for the upcoming year. He thanked Mr. Smith for his service on the BAFC.

- Mission Review Task Force (MRTF) Update

Mr. Lembke gave an update on the MRTF and said the task force will finalize its review of institution missions this fall.

- Executive Compensation Committee (ECC) Update

Mr. Backes said the ECC is working on a policy to establish membership and responsibilities. He appointed Mr. Espegard as the interim chairman of the committee.

- Agenda items regarding 2011 SBHE meeting dates and Policy 350.1 State Board of Agricultural Research and Education were removed from the agenda.

### Chancellor's Report

- There is support for the continuation of the Roundtable from the private sector.
- The Chancellor's report regarding partnerships between the NDUS and tribal colleges will be given during the upcoming legislative session. Tribal colleges participate in common course numbering, general education transfer credit transfer, and state-wide articulation agreements. Indian Scholarship award amounts have been recommended to be increased from \$800 per student to \$1200 per student. Joint meetings between the tribal colleges and the Chancellor's Cabinet have been held and the meetings are expected to continue, at the least, on an annual basis.
- The Legacy Fund initiative would commit 30% of oil and gas tax revenue produced after June 30, 2011. The principal and earnings of the legacy fund may not be expended until after June 30, 2017, and any expenditure of principal after that date requires a vote of at least two-thirds of the members elected to each house of the Legislative Assembly. Not more than 15 percent of the principal of the fund may be expended during any biennium beginning after June 30, 2017. All investment earnings of the fund accruing after June 30, 2017, are to be transferred to the general fund at the end of each biennium. In response to a question from Mr. Lembke regarding the impact of the Legacy Fund on higher education, Chancellor Goetz said the dollar amount committed to the Legacy Fund will be dependent on oil and gas production and prices. It may potentially decrease the amount of potential general fund revenue that may be available.

### Council of College Faculties (CCF) Report

Dr. Girard reported that the CCF held a face-to-face meeting at BSC. The two major issues that emerged are mission and quality. He said Dr. Krotseng has agreed to do a presentation on the NDUS Strategic Plan for the council at a later date.

### SBARE Budget

It was moved by Smith, seconded by Espegard, to amend the SBARE budget request the SBHE approved April 8, 2010, by adding extension service items 6, 7, and 8 identified in the 2011-13 SBARE Prioritized Request – NDSU Ag Experiment Stations and Experiment Service and State Soil Conservation Committee, which will add \$1,020,000 to the extension service budget request, for a total extension service budget request of \$6.3 million. Espegard, Smith, Diederich, Lembke, Bonner, Shaft, and Backes voted aye. Haugen was absent. The motion carried.

Approve May 10 and 11, 2010, June 7, 2010, June 17, 2010, June 24, 2010, and July 29, 2010 meeting minutes

Mr. Lembke suggested attachments be included in the minutes that reflect actions the SBHE has taken, for example, modifications to the budget. Mr. Backes suggested Mr. Lembke work with NDUS office staff on specific suggestions for attachments.

**It was moved** by Smith, seconded by Espegard, to approve the May 10 and 11, 2010, June 7, 2010, June 17, 2010, June 24, 2010, and July 29, 2010 meeting minutes. Diederich, Lembke, Espegard, Bonner, Smith, Shaft, Backes voted aye. Haugen was absent. The motion carried.

### Approve annual business plan for Workforce Training

**It was moved** by Smith, seconded by Diederich, to approve the annual business plans for Workforce Training programs at BSC, LRSC, NDSCS, and WSC. Lembke, Smith, Diederich, Bonner, Espegard, Shaft, and Backes voted aye. Haugen was absent. The motion carried.

## **Major Policy Discussions & Special Reports**

### Request for limited graduate credit authority at DSU and MaSU

Dr. Hillman gave an overview of the MRTF meetings and the mission review process.

In response to a question from Mr. Espegard regarding student numbers, Dr. Hillman said that data for the numbers of students is typically included in Stage II requests but significant numbers of students are expected to benefit from this change. He said the Roundtable view is to allow campuses to serve different groups of students with similar programs. He said the request for limited graduate credit at DSU and MaSU originated from the regional education associations that include many school districts. DSU and MaSU are in the best locations to serve the local needs. Mr. Espegard expressed concern regarding these requests growing into duplication of programs. Chancellor Goetz said that the Stage II requests must provide detailed information including business plans, campus financial implications, quality of faculty, and service areas. Chancellor Goetz said he plans to visit with those involved with the requests. To a question from Mr. Backes regarding collaboration, Dr. Hillman responded DSU and MaSU are currently working with the local school districts and system graduate institutions to teach undergraduate courses, but receive none of the credit hours or the tuition revenue and faculty resources are

channeled to other campuses. In response to a question regarding program delivery, Dr. Hillman said that there are benefits to on-line courses but the school districts often prefer face-to-face classes in this area to facilitate discussion regarding the implementation of new teaching methods.

**It was moved** by Lembke, seconded by Smith to approve the DSU and MaSU Stage I requests to grant limited graduate credit. Diederich, Smith, Bonner, Lembke, Espegard, Shaft, and Backes voted aye. Haugen was absent. The motion carried.

Approve recommended changes to UND School of Medicine and Health Sciences (SOMHS)  
Rural Medicine Program

Dr. Joshua Wynne, Dean, UND SOMHS, gave a brief update on the RuralMed program. He said of the eight available seats only three have been filled this year. He said students have expressed concern regarding the need to make a commitment of this magnitude so early in their program and have suggested asking for a commitment later in their program. Dr. Wynne said UND SOHMS would like the flexibility to modify the program, using some or all of the following options, while still remaining consistent with the original legislative intent of the scholarship program:

1. Offer the program to other than first year students and prioritize awards accordingly, with highest priority given to freshmen first, sophomores next, etc. If other than a first year student enters the program, the program could offer debt repayment up to the amount that would have been waived under the program based on tuition rates in effect at the time they would have been a freshmen, sophomore, etc.

2. Broaden the definition of primary care provider to include adult primary care. Dr.

Wynne said that expanding the definition to include general internal medicine may interest a few more students. There is some concern that the percentage of physicians who actually practice internal medicine long-term is relatively low.

3. Require residency training to occur in North Dakota. Dr. Wynne said it is common experience that the location where a medical school graduate practices is generally close to where they have completed their residency. However, many students train at UND, complete a residency elsewhere, and then return to the state. This option may decrease the number of students who enter the program and requires further study.

He said UND SOMHS reported their intention to change the program to the Interim Higher Education Committee which took the issue under advisement. He said he would follow the guidance of the NDUS Office on whether additional legislative consultation or action is necessary.

**It was moved** by Espegard, seconded by Smith, to authorize the options of: offering the program to other than first year students, broadening the definition of primary care provider, and/or requiring residency training to occur in North Dakota, and to proceed with NDUS staff and the Legislative Council to draft legislation for appropriate program changes as needed. Bonner, Espegard, Diederich, Smith, Lembke, Shaft, and Backes voted aye. Haugen was absent. The motion carried.

[Renew the joint Cabinet and SBHE statement on alcohol and drug abuse prevention leadership](#)

Dr. Hillman said the joint statement on alcohol and drug abuse prevention leadership establishes a leadership position for campus presidents and SBHE members on the issues of alcohol and drug abuse prevention. The statement was considered and given unanimous support by the Chancellor's Cabinet.

**It was moved** by Smith, seconded by Lembke, to renew the joint Cabinet and SBHE statement on alcohol and drug abuse prevention leadership. Smith, Diederich, Espegard, Lembke, Bonner, Shaft, and Backes voted aye. Haugen was absent. The motion carried.

#### Review of tenure process and procedures

Dr. Hillman and Dr. Schnell, NDSU Provost, gave an overview of the definition of tenure, the tenure process, the purpose of tenure, the rights and privileges of tenure, and the responsibilities and obligations of tenure.

Dr. Hillman gave an overview of the NDUS tenure review process. He noted under the new policy, every tenured faculty is reviewed annually and that review includes student input.

Dr. Girard said he feels this is one of the most important issues in the university system. He said rigor, responsibility, recruiting, and retention are all factors in the tenure process. He noted that the tenure process varies slightly by institution. He said he believes the tenure process can help the presidents in the transformation process as institutions grow and evolve.

In response to a question from Mr. Lembke regarding English proficiency, Dr. Schnell explained that there is no specific policy, within the tenure process, requiring English proficiency; however, each institution has a policy that addresses English proficiency. In response to a question from Mr. Smith regarding SBHE approval of tenure, Dr. Schnell and Mr. Seaworth explained that faculty support SBHE involvement and some years ago opposed a policy draft removing SBHE approval from the process.

#### Annual report on articulation and transfer

Dr. Hillman presented an overview of the history of common course numbers, articulation, and transfer. Ms. Lisa Johnson, NDUS Director of Articulation and Transfer, gave an overview of student transfers and the Liberal Education and America's Promise (LEAP) initiative. Ms. Johnson said students can complete general education credits and transfer them from one institution to another. State, tribal, and private institutions have been working to review and make recommendations on the current education model based on the LEAP initiative. Ms. Johnson said there were no formal appeals presented to the NDUS office during the last academic year regarding transferring credits.

#### Board Policy Manual Revisions

##### *Second reading and adoption*

#### 350.3 School of Medicine and Health Science Advisory Board; Reports

**It was moved** by Smith, seconded by Espegard, to approve the second reading and adoption of Policy 350.3 School of Medicine and Health Science Advisory Board; Reports. Diederich,

Lembke, Espegard, Bonner, Smith, Shaft, and Backes voted aye. Haugen was absent. The motion carried.

#### 402 Delegation of Admission Authority

**It was moved** by Espegard, seconded by Smith, to approve the second reading and adoption of Policy 402 Delegation of Admission Authority. Espegard, Smith, Diederich, Lembke, Bonner, Shaft, and Backes voted aye. Haugen was absent. The motion carried.

#### 406.1 Academic Calendars

**It was moved** by Espegard, seconded by Smith, to approve the second reading and adoption of Policy 402 Delegation of Admission Authority. Espegard, Smith, Diederich, Lembke, Bonner, Shaft, and Backes voted aye. Haugen was absent. The motion carried.

### **Budget, Audit, and Finance Committee (BAFC) Recommendations**

#### Approve 2009-11 VCSU & BSC deficiency appropriation request

Mr. Espegard said the BAFC recommends approval of the deficiency appropriation requests from VCSU and BSC. VCSU's request is due to flood damage. BSC's request is due to a broken water main and water damage at the Jack Science Center. If the requests are approved by the SBHE, VCSU, and BSC would then submit the requests to the Office of Management and Budget.

**It was moved** by Espegard, seconded by Lembke, to approve the 2009-11 VCSU and BSC deficiency appropriation requests. Smith, Diederich, Espegard, Lembke, Bonner, Shaft, and Backes voted aye. Haugen was absent. The motion carried.

Approve NDUS responses to FY2009 operational audits for UND, LRSC, NDSCS, and NDSU

Mr. Espegard said the audits were generally very good and the BAFC is pleased with progress on audit issues. The BAFC wants to see issues addressed when issues are found in audits so that audit exceptions do not continue. He said searches for an internal auditor and risk assessment consultant are ongoing. Mr. Espegard said concerns have been expressed regarding the governance of the current internal auditors. The BAFC is working with the institution presidents on a system that will meet the system and institution needs.

**It was moved** by Espegard, seconded by Smith, to approve the NDUS responses to FY2009 operational audits for UND, LRSC, NDSCS, and NDSU. Diederich, Lembke, Espegard, Bonner, Smith, Shaft, and Backes voted aye. Haugen was absent. The motion carried.

**Consent Agendas**

**It was moved** by Smith, seconded by Lembke, to approve the following financial and facility consent agenda requests:

- Approve NDSU request to increase spending on the auxiliary funded Window Replacement Project in Churchill Hall by \$50,000 from \$500,000 to \$550,000 to be paid from Residence Life Repair and Replacement funds

- Ratify Chancellor's interim action to add the State Board of Higher Education as a co-recipient to the pending Federal National Institute of Standards & Technology (NIST) Award for [the NDSU Research 1 Addition](#) and to designate NDSU as authorized representative
- Approve UND request for approval to proceed with the [Bismarck Center for Family Medicine](#) building project based on updated status. Status will also be reported to the Budget Section of the Legislature
- Approve UND request to solicit funds for possible capital projects in the context of a [campus-wide fundraising campaign](#)
- Approve UND request to proceed with projects in the amount of \$1,000,000 for [modification and renovation of mechanical and electrical systems in multiple buildings](#) for facility energy efficiency improvements, from federal ARRA funds through the Department of Commerce
- Authorize UND to seek Budget Section approval to utilize \$220,000 in unrestricted gift funds as local matching funds on the [O'Kelly Hall renovation project](#) authorized in 2007-09 per NDCC 15-10-12.3

Haugen, Espesgard, Smith, Diederich, Lembke, Bonner, Shaft, and Backes voted aye. The motion carried.

Dr. Fuller gave an overview of the options and phases involved in the [proposed geothermal system at MiSU](#). He said the North Dakota Department of Commerce may be able to commit an additional \$1 million in grant funds. With the additional funds, MiSU will be able to add the

MiSU Dome to the project. The total cost of the system is \$16.7 million, with contingencies. He said this project will provide very large energy cost savings for MiSU. Mr. Brian Foisy gave an overview of the financing for the project and the anticipated cost savings.

In response to a question from Mr. Lembke regarding possible bonds, Dr. Fuller said some of the project can potentially be paid for by energy cost saving through an energy performance contract.

In response to a question from Mr. Espegard regarding project phasing, Dr. Fuller explained the project is phased so that the largest buildings would be brought online and heated/cooled geothermically first. This is a viable, functioning system even if only the first phase is completed.

**It was moved** by Lembke, seconded by Smith, to approve the MiSU request for approval to proceed with Phase I of a geothermal heating and cooling system at a cost between \$3.5 million and \$4.5 million, including \$2.5 million in state appropriations and \$1 to 2 million in DOC grants, dependent on the level of DOC grant funding available; furthermore, ratify Chancellor's interim approval to seek necessary Budget Section approval according to NDCC 48-02-20. Espegard, Smith, Bonner, Lembke, Diederich, Shaft, and Backes voted aye. Haugen was absent. The motion carried.

#### Academic Consent Agenda

**It was moved** by Smith, seconded by Diederich to approve the following academic consent agenda request:

- Approve VCSU request to offer a [Graduate Certificate in STEM Education](#) both traditionally and at a distance

### **College and university presidents' briefings**

Dr. Grosz said he believes DCB will have record enrollment this year.

Dr. Hagen said MaSU has received a \$200,000 grant from the Department of Public Instruction to help area schools increase mathematics scores under the No Child Left Behind Act.

Dr. Kelley reported UND had a record fall enrollment, record high research revenues of \$129 million, and the public phase of endowment campaign will be announced at homecoming.

Dr. Bresciani said NDSU will have record enrollments and the retention rates for freshmen and sophomores are up substantially.

Dr. Fuller said MiSU celebrated the 20th anniversary of the ND Center for Persons with Disabilities program.

Dr. Shirley gave an update on the Dakota Athletic Conference (DAC). Dr. Shirley said the DAC has had several schools leave the conference. Four remaining schools in the conference (VCSU, MaSU, DSU, and Jamestown College) are not sufficient to be considered an affiliated

conference. Dr. Shirley said the largest challenge facing the remaining schools in the conference is the travel distance required to compete in a different conference.

Dr. Richman said NDSCS may have record high enrollment and the fourth year of significant enrollment growth. A grand re-opening of Horton Hall will be held on October 1<sup>st</sup>.

Dr. Doug Darling said LRSC is anticipating a record high enrollment report. Health information and technology training for health care providers will begin in September as a part of a grant to provide training on electronic health records.

Mr. Maddison said capital projects at WSC are well underway.

Dr. McCallum issued an invitation to the DSU Roosevelt symposium. He said DSU has entered into a contract to purchase, over three years, the complete Theodore Roosevelt collection from Harvard University. DSU has already secured the Theodore Roosevelt holdings from the Library of Congress. The National Endowment for the Humanities has endorsed DSU for a \$2 million dollar grant. DSU must raise \$1.5 million in order to receive \$500,000 in matching funds to create an endowed chair for Roosevelt studies. This will be the first endowed chair at DSU.

Mr. Thursby said the mail and calendar for the SBHE and the NDUS office is being updated to Outlook and training sessions will be arranged with individual SBHE members.

Mr. Espegard asked for an update on the Foundation policy. He is concerned about the controversy over the policy. Mr. Backes said he anticipates a discussion between staff and foundations will create an adequate policy that limits, as much as possible, differences of opinion.

The meeting adjourned at 2:03 p.m.

---

Executive Secretary

---

President

---

Date